

State of Wisconsin, Department of Revenue

DIVISION OF STATE AND LOCAL FINANCE, BUREAU OF PROPERTY TAX, 2135 Rimrock Road, P.O. Box 8971, MS6-97, Madison, WI 53708-8971

REAL ESTATE TRANSFER NEWS (RETN)

October 2006

The following questions and answers are given as general interpretations of the Wisconsin Administrative Code and Statutes. Should you have any questions, please write to:

Wisconsin Department of Revenue
Division of State & Local Finance
Bureau of Property Tax
P.O. Box 8971, MS 6-97
Madison, WI 53708-8971

This RETN may be found on the Internet at the Real Estate Transfer and Merger/Conversion web site:

<http://www.dor.state.wi.us/ust/retn.html>

1Q. Please explain the filing requirements for the new exemptions per sec. 77.25(10m), Stats. "Solely to designate a TOD beneficiary under s. 705.15" and sec. 77.25(11m), Stats. "By non-probate transfer on death under s. 705.15" as created by 2005 WISCONSIN ACT 206.

- A. Non-probate transfer of real property on death per sec. 705.15, Stats. is conveyed at the time of death of the sole owner or the last to die of multiple owners. Per sec. 705.15(2), Stats. a Transfer On Death (TOD) beneficiary is designated on a deed that must be recorded.

Sec. 77.25(10m), Stats: Per 705.15(3), Stats, the designation of a TOD beneficiary on a deed does not affect ownership of the property until the owner's death. A document designating a transfer on death beneficiary **does not require a transfer return**; however, language must be placed on the document to exempt it from return and fee such as: "This document is only designating a transfer on death beneficiary and exempt per s. 77.21(1), Stats and s. 77.25(10m), Stats." Note that the October 2000, RETN 3Q (below) is still valid as no real estate transfer return is needed on designating a beneficiary.

Sec. 77.25(11m), Stats: when recording a document evidencing the termination of the decedent's interest in the property **a transfer return is required**. Note that the October 2000, RETN 3Q (below) is not valid as exemption s. 77.25(11), Stats. no longer applies and a real estate transfer return is needed upon the death of the grantor. Currently, only the green paper PE-500 can be used as the eRETR does not yet have these two exemptions included. They will be included at a later date when other enhancements are done to the eRETR.

RETN Oct. 2000, 3Q. Section 705.20 through 705.30 of the Wisconsin Statutes allows for a non-probate transfer of assets. A single person and/or a couple could provide for the property to pass at their death to their beneficiaries. Since there is no passage of ownership interest occurring when filing a document under this section, is a transfer return required?

- A. No return is needed. The provisions of s. 705.20, Stats. creates a non-probate transfer of numerous types of assets by executing a document transferring the assets to a designated person upon the owner's death. The designated person receiving the transfer on death acquires no interest or right until the grantor dies. Therefore, when a document is recorded under s. 705.20, Stats. a return is not needed and the document should indicate words to the effect that "this is a deed per s. 705.20, Stats. and not a conveyance under s. 77.21(1), Stats.". Upon the death of the grantor, when filing the deed under s. 705.20, Stats., a return will not be required since exemption s. 77.25(11), Stats. will apply.

2Q. Please explain the filing requirements for mergers or conversions per sec. 73.14, Stats.

- A. If an acquired business entity in a merger or the converted business entity in a conversion had a fee simple ownership interest in any Wisconsin real estate immediately prior to the merger or conversion, the surviving business must submit the MC-500 Report to the Department of Revenue no later than 60 days after the effective date of the merger or conversion. Failure to file the report within the time frame or specify each of the municipalities affected will result in penalties per s. 73.14(2), Stats. It is now optional to record deeds changing title to the property with the county Register of Deeds. The MC-500 Report primary purpose is to give notice of where future real estate tax bills are to be sent and does not convey or change title to real estate. The MC-500 Report can be found on the Department of Revenue's web site at: <https://ww2.dor.state.wi.us/internet/merger.html>

3Q. When is the agent section of the transfer return required to be completed?

- A. Whenever the grantor or grantee is other than an individual, the agency section must be completed. The information would be of the person signing the documents for the grantor and person accepting the documents for the grantee. For a trust, the trust name would be entered as grantor or grantee and the trustee would be the agent. This requirement is for both the paper and eRETR. When there is more than one entity grantor or grantee and they each have different agents, enter the data for the first grantor or grantee listed. For the green paper PE-500, enter the agent information and check appropriate box. If agent for grantor and grantee is different, enter the grantor's agent on the return and attach an addendum for the grantee's agent. If there are questions regarding the conveyance, we need to be able to contact the person familiar with the conveyance and a generic phone number or address of an entity is not sufficient.

4Q. In a situation where there are multiple grantors and/or grantees, I know we need to have all listed on the eRETR, but for the green paper PE-500 do we need an addendum attached reflecting all grantors and/or grantees?

- A. Addendums are optional and only allowed for the green paper return PE-500. When an addendum is included, ONE NAME AND INFORMATION MUST BE ON THE RETURN and requested (optional) that all the information asked for on the return be furnished for each name. When using the eRETR, ALL grantors and grantees on the document must be added and listed on the Receipt. For more information for a complete return, please see the "eRETR Register of Deeds [Criteria](#) for a completed eRETR Receipt" and for the green paper PE-500, "[Criteria](#) for a Completed Real Estate Transfer Return." These may be found on the Real Estate Transfer and Merger/Conversion web site (link above) under the heading Government.

5Q. I am trying to file an Amended Real Estate Transfer Return PE-500x to correct a name. It requires entering a document number, but I do not have one since I have not sent the deed and Receipt to the Register of Deeds. How do I fix an error on a Receipt?

- A. The Amended Real Estate Transfer Return PE-500x is only used AFTER a deed has been recorded and an error is discovered. There are three different times and ways to make corrections:
1. While filling out the eRETR and an error is seen on the Summary page, go back to that section and make the correction.
 2. After clicking the green Submit button, error is discovered on the Receipt;
 - a. Make sure file is saved as stated on notice.
 - b. Restore saved file by going back to Real Estate Transfer page, Use eRETR, Start and Restore Saved Information (button above the county select box). If the file was not saved, you must begin a new eRETR.
 - c. Make correction and save, then click green Submit button. You will get a Receipt with a new receipt number to send in with document. Toss the "old" Receipt out.
 3. After ROD records deed; Use the Amended Return on the Real Estate Transfer and Merger/Conversion web site. The PE-500x can only be used after deed is recorded since one of the required fields to complete is the document number.

Note: Before sending to the Register of Deeds, make sure all grantors, grantees and parcels on the document match the Receipt. The Register of Deeds must reject it if all the names and parcels on the document being recorded do not match the Receipt.

6Q. I have questions regarding the Weatherization Section of the return, who do I contact?

- A. For questions regarding Weatherization Exclusion codes, please contact:
Rental Weatherization Technician, Delores Kolosovsky at 608-267-2240
Or you may write to: Department of Commerce, Bureau of Integrated Service,
201 W. Washington Ave, P.O. Box 7302, Madison, WI 53701-7302.